

**01478**

**1991/12/16**

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 ACTION EAP-01

INFO	LOG-00	ACDA-13	AIT-03	AMAD-01	CIAE-00	DODE-00	DPR-01
	EB-01	HA-09	H-01	INRE-00	INR-01	LAB-04	L-03
	ADS-00	NSAE-00	NSCE-00	OMB-01	PA-01	PM-01	PRS-01
	P-01	SIL-01	SNP-01	SP-01	SS-01	TRSE-00	T-01
	USIE-00	/048W					

-----B7830C 160735Z /38

P 160732Z DEC 91  
 FM AMCONSUL GUANGZHOU  
 TO SECSTATE WASHDC PRIORITY 3004  
 INFO AMEMBASSY BEIJING PRIORITY  
 AMCONSUL SHANGHAI  
 AMCONSUL SHENYANG  
 AMCONSUL HONG KONG  
 AIT TAIPEI 1508

*1/19/97*

DEPARTMENT OF STATE		IM/IPS/CRV	Date:
<input checked="" type="checkbox"/> RELEASE	<input type="checkbox"/> DECLASSIFY		
<input type="checkbox"/> EXCISE	<input type="checkbox"/> DECLASSIFY	EO Cancellations	
<input type="checkbox"/> DENY	<input type="checkbox"/> IN PART		
POIA Exemptions		TS authority to	
PA Exemptions		( ) CLASSIFY as ( ) S or ( ) C Sec.	
		( ) DOWNGRADE TS to ( ) S or ( ) C	

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BEIJING PLEASE PASS SCR THOMAS GRAY

BEIJING PLEASE PASS CHENGDU

E.O. 12356: N/A  
 TAGS: PGOV, ELAB, SHUM, CH  
 SUBJECT: TRACKING DOWN PRISON LABOR TEA

REFS: A) TELCON TKACIK/GRAY 12/12/91  
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 B) FAX GRAY/TKACIK 12/13/91  
 C) TEL/FAX WILLIAMS/GRAY 12/13/91  
 D) GUANGZHOU 01143

1. REFS A AND B CONCERN REPORTS PUBLISHED IN ENGLISH-LANGUAGE HONG KONG DAILY "SOUTH CHINA MORNING POST" (SCMP) IN RECENT WEEKS (NOVEMBER 30 AND DECEMBER 11) THAT IDENTIFY THE RED STAR TEA FARM (HONG XING CHA CHANG) AS A FORCED LABOR CAMP PRODUCING TEA FOR EXPORT TO THE UNITED STATES. THE RED STAR TEA FARM IS LOCATED IN YINGDE COUNTRY IN GUANGDONG PROVINCE NORTH OF CAPITAL GUANGZHOU. THE CHINA NATIONAL NATIVE PRODUCE AND ANIMAL BY-PRODUCTS IMPORT AND EXPORT CORPORATION EXPORTS TEA TO THE UNITED STATES UNDER THE "YINGDE" BRAND NAME AS WELL AS SELLING IN BULK TO U.S. TEA RETAILERS.

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2. CONSULATE POLITICAL OFFICER GARY WILLIAMS AND FOREIGN COMMERCIAL OFFICER DENNY BARNES MET DECEMBER 13 WITH MU YOWEI, THE MANAGING DIRECTOR OF THE GUANGDONG TEA BRANCH OF THE ABOVE MENTIONED IMPORT EXPORT CORPORATION. THIS MEETING WAS REQUESTED IMMEDIATELY FOLLOWING THE FIRST PUBLICATION OF SCMP'S ACCUSATION CONCERNING FORCED LABOR TEA PRODUCTS FOR EXPORT TO THE U.S. (A SECOND SCMP ARTICLE ON DECEMBER 11 REPORTED U.S. CUSTOMS WAS CONSIDERING A BAN ON YINGDE TEA R"ZAQSU OF THE APPARENT CONNECTION WITH A FORCED LABOR CAMP.) MU DENIED THE SCMP REPORT AND SAID NO CHINESE TEA COULD BE LEGALLY EXPORTED EXCEPT THROUGH HIS ORGANIZATION. HE SAID "TO HIS KNOWLEDGE" NO TEA PRODUCED IN FORCED LABOR (I.E., "REFORM THROUGH LABOR")

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CAMPS OR PRISONS WAS EXPORTED FROM GUANGDONG PROVINCE.

3. MU THEN EXPLAINED THE RED STAR TEA FARM IN YINGDE COUNTRY WAS, IN FACT, A FORCED LABOR CAMP. BUT HE SAID ITS PRODUCT WAS NOT EXPORTED BY HIS CORPORATION. HE PRESENTED SAMPLES OF YINGDE BRAND TEA (AS WELL AS BAGGED SAMPLES PREPARED FOR BULK BUYERS) AND RED STAR BRAND TEA. BOTH THE PACKAGING, LABELING, AND THE TEA WERE CLEARLY DIFFERENT IN APPEARANCE AND QUALITY. HE DENIED ANY KNOWLEDGE OF THE WENQUAN (HOT SPRINGS) TEA FARM WHICH, ACCORDING TO REF B, HAS ALSO BEEN IDENTIFIED AS A FORCED LABOR CAMP. HE SAID THE WENQUAN TEA FARM, IF IT EXISTED, DID NOT SUPPLY TEA TO HIS CORPORATION.

4. WILLIAMS EXPLAINED TO MU WHILE THE SAMPLE PACKAGES OF TEA FROM YINGDE SUGGESTED THE SCMP ARTICLE MIGHT BE IN ERROR IT WAS ABSOLUTELY ESSENTIAL U.S. OFFICIALS WITH RESPONSIBILITY FOR DEALING WITH THIS ISSUE HAVE THE OPPORTUNITY TO VISIT YINGDE AND SEE FOR THEMSELVES HOW THE TEA IS PACKAGED. HE EXPLAINED HONG KONG BASED SENIOR CUSTOMS REPRESENTATIVE THOMAS GRAY COULD COME TO GUANGDONG FOR SUCH A VISIT AROUND DECEMBER 20 OR LATER. MU SAID HE WOULD TRY TO ARRANGE SUCH A TRIP. HE SAID HE DID NOT KNOW, HOWEVER, IF HE COULD ARRANGE ENTRY INTO THE RED STAR TEA FARM. MU ALSO PROVIDED A WRITTEN REPORT, IN ENGLISH AND CHINESE AND ADDRESSED TO THE CONSULATE, DESCRIBING TEA PRODUCTION IN YINGDE COUNTY AND DENYING ANY CONNECTION BETWEEN YINGDE BRAND TEA (OR OTHER CHINESE TEAS) FOR EXPORT AND FORCED LABOR CAMP TEA PRODUCTION. FOLLOWING THIS MEETING, WHICH

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CONCLUDED JUST PRIOR TO COB ON A FRIDAY AFTERNOON,  
WILLIAMS REPORTED THIS INFORMATION BY TELEPHONE AND FAX  
IMMEDIATELY TO SCR GRAY IN HONG KONG (REF C).

5. TWO DAYS EARLIER, ON DECEMBER 11, DURING AN EVENING  
DINNER FOR A VISITING STAFFDEL, GUANGDONG FOREIGN  
AFFAIRS OFFICE DIRECTOR HUANG QUN AND COFERT DIRECTOR  
XU DEZHI TOLD CONSULATE ECONOMIC OFFICER LEE BRUDVIG  
THERE WAS NO TRUTH TO THE SCMP ARTICLE (NOVEMBER 30)  
CONCERNING YINGDE TEA. XU SAID HIS OFFICE HAD  
THOROUGHLY RESEARCHED THE ACCUSATION AND DETERMINED  
THERE WAS "NOT A SHRED OF TRUTH" TO IT. HE OFFERED TO

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	P-01	SIL-01	SNP-01	SP-01	SS-01	TRSE-00	T-01
	USIE-00	/048W					

-----B78318 160735Z /38

P 160732Z DEC 91  
FM AMCONSUL GUANGZHOU  
TO SECSTATE WASHDC PRIORITY 3005  
INFO AMEMBASSY BEIJING PRIORITY  
AMCONSUL SHANGHAI  
AMCONSUL SHENYANG  
AMCONSUL HONG KONG  
AIT TAIPEI 1509

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SET UP A VISIT TO THE YINGDE AREA INCLUDING THE RED  
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STAR TEA FARM. HE DID NOT, HOWEVER, IDENTIFY THE RED  
STAR TEA FARM AS A FORCED LABOR CAMP.

6. COMMENT. THERE MAY WELL BE SOME CONFUSION BETWEEN  
FORCED LABOR CAMP TEA PRODUCED FOR DOMESTIC CONSUMPTION  
AND OTHER TEA DESTINED FOR EXPORT AND PRODUCED IN THE  
SAME AREA BY NONPRISON LABOR WORKERS. A VISIT TO  
YINGDE AND TO THE RED STAR TEA FARM MAY ENABLE US TO  
CLEAR THIS MATTER UP. WE WILL PRESS HARD TO SET UP  
THIS VISIT. WE ARE, IN ANY EVENT, ENCOURAGED BY LOCAL  
REACTION TO THE SCMP ARTICLE AND THE APPARENT  
WILLINGNESS OF GUANGDONG OFFICIALS TO PROVIDE US  
EVIDENCE IN THEIR DEFENSE. THE ORIGINAL SCMP ARTICLE  
ON RED STAR TEA SAID IT WAS SOLD IN THE GUANGZHOU  
FLOWER CITY ENTERPRISE AND ASSORTED GOODS SHOP, WHICH  
IS OWNED BY A LOCAL PRISON. WE HAVE IDENTIFIED IN  
PREVIOUS REPORTS (REF D) THIS PRISON AS A POSSIBLE  
EXPORTER OF FORCED LABOR PRODUCTS TO THE U.S. A  
REQUEST TO VISIT THIS PRISON HAS BEEN PENDING FOR  
ALMOST TWO MONTHS. MU YOWEI'S REPORT TO US DENIED ANY  
CONNECTION BETWEEN HIS CORPORATION AND THIS PRISON.

HARTER

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\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE